



Patrick W. Henning, Director



Arnold Schwarzenegger  
Governor

October 15, 2009  
22M384:9082:9083

Mr. Andrew Munoz, Executive Director  
Orange County Community Services Agency  
1300 S. Grand Avenue, Bldg. B, 3<sup>rd</sup> Floor  
Santa Ana, CA 92705-4407

Dear Mr. Munoz:

WORKFORCE INVESTMENT ACT  
FISCAL AND PROCUREMENT REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Orange County Workforce Investment Board's (OCWIB) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Ms. Carol Hammond from August 10, 2009 through August 13, 2009. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by OCWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2008-09.

We collected the information for this report through interviews with representatives of OCWIB, a review of applicable policies and procedures, and a review of documentation retained by OCWIB for a sample of expenditures and procurements for PY 2008-09.

## **BACKGROUND**

The OCWIB was awarded WIA funds to operate a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, OCWIB was allocated: \$1,769,181 to serve 356 adult participants; \$1,820,762 to serve 457 youth participants; and \$4,012,121 to serve 757 dislocated worker participants.

For the quarter ending June 30, 2009, OCWIB reported the following expenditures and enrollments for its WIA programs: \$1,007,678 to serve 346 adult participants; \$1,366,974 to serve 407 youth participants; and \$1,994,769 to serve 646 dislocated worker participants.

## **FISCAL REVIEW RESULTS**

We conclude that, overall, OCWIB is meeting applicable WIA requirements concerning financial management.

## **PROCUREMENT REVIEW RESULTS**

We conclude that, overall, OCWIB is meeting applicable WIA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is OCWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, federal and state regulations, and applicable state directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain OCWIB's responsibility.

Mr. Andrew Munoz

-3-

October 15, 2009

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 654-1292.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar", with a small flourish at the end.

JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Division

cc: Jose Luis Marquez, MIC 50  
Daniel Patterson, MIC 45  
Georganne Pintar, MIC 50  
Gilbert von Studnitz, MIC 50